REPORT
TO

THE HOUSE OF REPRESENTATIVES APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

SENATE APPROPRIATIONS COMMITTEE ON HEALTH AND HUMAN SERVICES

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILTIES, AND SUBSTANCE ABUSE SERVICES

AND

FISCAL RESEARCH DIVISION

REPORT ON

THE COMPREHENSIVE TREATMENT SERVICES PROGRAM (CTSP)

Session Law 2007-323
House Bill 1473, Section 10.10(k)

April 2009

NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

EXECUTIVE SUMMARY

The General Assembly of North Carolina, in its 2001 Session, passed legislation to establish the Comprehensive Treatment Services Program (CTSP) for children/youth at risk for institutionalization or other out-of-home placements. The Department of Health and Human Services (DHHS), with the Division of Mental Health, Developmental Disabilities and Substance Abuse Services as the lead, was charged with the implementation of the Program in collaboration with the Department of Juvenile Justice and Delinquency Prevention (DJJDP), the Department of Public Instruction (DPI), and the Administrative Office of the Courts (AOC) to provide appropriate and medically necessary residential and non-residential treatment alternatives for the target population.

The legislation of the Comprehensive Treatment Services Program (CTSP) marked the beginning of statewide implementation of System of Care (SOC) practices and principles in North Carolina. The program's emphasis on implementing System of Care practices and principles, including individualized care, interagency collaboration and family partnership, is a practice platform embraced by mental health transformation.

This report summarizes the progress achieved in implementation of the CTSP pursuant to Section 10.10 of Session Law 2007-323, House Bill 1473.

Other components of the MH/DD/SAS system that carry out the intent of the CTSP legislation include:

- The North Carolina Collaborative for Children, Youth and Families (www.nccollaborative.org), formed in 2001, is a coalition of the agencies cited by the General Assembly in the legislation that established the CTSP. Accomplishments include a statewide System of Care conference, a statewide definition of Child and Family Team (CFT) and CFT training initiatives.
- Thirty-four regional System of Care Coordinators staff local community collaboratives, provide CFT training and coaching, and support youth and family involvement and leadership.
- The Child Mental Health portion of the State MH/DD/SAS Plan is aligned with the principles of SOC and CTSP. The goal under the plan is to provide a "system of quality care, which includes accessible, culturally sensitive, individualized mental health treatment, intervention and prevention services delivered in the home and community in the least restrictive and most consistent manner possible."

A central role of CTSP funding is the expansion of the System of Care approach for services to children/youth and their families. It is the unique flexibility of this funding at the local level that supports wraparound services for children and families, family support and leadership activities, and increases the availability of Child and Family Team training, and community-based services including mental health promotion and substance abuse prevention activities. It's important to note that due to maximizing the use of Medicaid and Health Choice services, and the onset of single-stream funding to some local management entities (LME), the use of explicit CTSP funding has decreased.

PROGRESS IN MEETING PROGRAM INDICATORS

SECTION 10.10. (a)

The Department of Health and Human Services shall continue the Comprehensive Treatment Services Program for children at risk for institutionalization or other out-of-home placement. The Program shall be implemented by the Department in consultation with the Department of Juvenile Justice and Delinquency Prevention, the Department of Public Instruction, and other appropriate State agencies. The purpose of the Program is to provide appropriate and medically necessary residential and nonresidential treatment alternatives for children/youth at risk of institutionalization or other out-of-home placement. Program funds shall be targeted for non-Medicaid eligible children. Program funds may also be used to expand a SOC approach for services to children/youth and their families statewide. The Program shall include the following:

(1) *Behavioral Health Screenings for all children/youth at risk of institutionalization or other out-of-home placement.*

(2) *Appropriate and medically necessary residential and non-residential services for children within the child mental health deaf and, hard of hearing target population.*

(3) *Appropriate and medically necessary residential and non residential treatment services, including placements for sexually aggressive youth.*

(4) *Appropriate and medically necessary nonresidential and residential treatment services, including placements for youth needing substance abuse treatment services and children with serious emotional disturbances.*

(5) *Multidisciplinary case management services, as needed.*

(6) *A system of utilization review specific to the nature and design of the Program.*

(7) *Mechanisms to ensure that children are not placed in department of social services custody for the purpose of obtaining mental health residential treatment services.*

(8) *Mechanisms to maximize current State and local funds and to expand use of Medicaid funds to accomplish the intent of this Program.*

(9) *Other appropriate components to accomplish the Program's purpose.*

(10) *The Secretary of the Department of Health and Human Services may enter into contracts with residential service providers.*

(11) *A system of identifying and tracking children placed outside of the family unit in group homes, therapeutic foster care home settings, and other out-of-home placements.*

All of the requirements in Sections 10.10 (a), items 1-11, were achieved in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

(12) *The development of a strong infrastructure of interagency collaboration.*

The Division mandates Local Community Collaboratives with the expressed purposes of carrying out the CTSP program. There are 70 Local Community Collaboratives across North Carolina; an increase of 8 from SFY 07. In 2006, the Division of MH/DD/SAS allocated recurring funds for a System of Care Coordinator in each LME to staff these collaboratives. Since that time, many collaboratives have been rejuvenated.

(13) *Individualized strengths-based care.*

Direct services funded by the CTSP program require a Child and Family Team (CFT) process as well as a family-driven plan such as a Person-Centered Plan. The CFT process ensures the services recommended are family-driven and youth-guided, build on the strengths of the youth and family, are clinically indicated, and are efficient and effective.

SECTION 10.10 (b)

In order to ensure that children at risk for institutionalization or other out-of-home placement are appropriately served by the mental health, developmental disabilities, and substance abuse services system, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall do the following with respect to services provided to these children:

(1) *Provide only those treatment services that are medically necessary.*

(2) *Implement utilization review of services provided.*

(3) *Adopt the following guiding principles for provision of services:*

(a) *Service delivery system must be outcome-oriented and evaluation-based.*

(b) *Services should be delivered as close as possible to the child's home.*

(c) *Services selected should be those that are most efficient in terms of cost and effectiveness.*

(d) *Services should not be provided solely for the convenience of the provider or the client.*

(e) *Families and consumers* should be *involved in decision making throughout treatment planning and delivery.*

(f) *Services shall be specified, delivered, and monitored through a unified Child and Family Plan incorporating the principles of one-child-one-team-one-plan.*

All of the requirements in Sections 10.10 (b), items 1-3, were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

g) *Out-of-home placements for children shall be a last resort and shall include concrete plans to bring the children back to a stable, permanent home, their schools, and their community.*

The Child and Family Team process ensures that services are individualized, community-based and least restrictive. Local Management Entities who authorize the use of CTSP funds for out-of-home placements ensure that it is a medically necessary placement.

In addition, 17 of the 24 LMEs have instituted a care review process. A care review is a neutral group of child-serving agency and family member representatives that is available to CFTs who may be stuck and in need of more support and resources. The care review process is facilitated by the LME. In some cases going to a care review, a one-hour solution-focused meeting of the neutral group and the CFT, is required if the CFT is requesting out-of-home, out-of-county or out-of state placement to ensure the most appropriate placement for the youth is being requested.

Thirdly, all requests for placement at the Wright or Whitaker Schools and state operated Psychiatric Residential Treatment Facilities must be reviewed by the Local Community Collaborative.

(4) *Implement all of the following cost reduction strategies:*

(a) *Preauthorization of all services except emergency services.*

(b) *Levels of care to assist in the development of treatment plans.*

(c) *Clinically appropriate services.*

All of the requirements in Sections 10.10 (b), item 4, were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

SECTION 10.10 (c)

The Department shall collaborate with other affected State agencies such as the Department of Juvenile Justice and Delinquency Prevention, Department of Public Instruction, the Administrative Office of the Courts, and with local department of social services, area mental health programs, and local education agencies to eliminate cost shifting and facilitate cost-sharing among these governmental agencies with respect to the treatment and placement services.

All of the requirements in Sections 10.10 (c) were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

SECTION 10.10. (d)

The Department shall not allocate funds appropriated for Program services until a Memorandum of Agreement has been executed between the Department of Health and Human Services, the Department of Public Instruction, and other affected State agencies. The Memorandum of Agreement shall address specifically the roles and responsibilities of the various departmental divisions and affected State agencies involved in the administration, financing, care, and placement of children at risk of institutionalization or other out-of-home placement. The Department shall not allocate funds appropriated in this act for the Program until the Memoranda of Agreement between local departments of social services, area mental health programs, local education agencies, the Administrative Office of the Courts, and the Department of Juvenile Justice and Delinquency Prevention, as appropriate, are executed to effectuate the purpose of the Program. The Memoranda of Agreement shall address issues pertinent to local implementation of the Program, including provision for the immediate availability of

student records to a local school administrative unit receiving a child placed in a residential setting outside the child's home county.

The state-level Memoranda of Agreement (MOA) between DHHS, DPI, AOC and DSS was updated and signed in State Fiscal Year (SFY) 2006 and remains in effect. Prior to it being signed, a meeting of the relevant agencies included a review of commitments, mandates and functions among and within the individual agencies. The local-level MOA between Local Management Entities, Local Education Agencies, county Departments of Social Services, and local court districts was updated in SFY 2007. Signed copies were submitted to the Division of MH/DD/SAS by the end of SFY 2007.

SECTION 10.10 (e)

Notwithstanding any other provision of law to the contrary, services under the Comprehensive Treatment Services Program, are not an entitlement for non-Medicaid eligible children served by the Program.

All training and correspondence relevant to this topic emphasize that services are not an entitlement.

SECTION 10.10. (f)

Of the funds appropriated in this act for the Comprehensive Treatment Services Program, the Department of Health and Human Services shall establish a reserve of three percent (3%) to ensure availability of these funds to address specialized needs for children with unique or highly complex problems.

All of the requirements in Sections 10.10 (f) were met in previous years. The Division continues to operate in accordance with the activities and processes that were previously reported.

SECTION 10.10 (g)

The Department of Health and Human Services, in conjunction with the Department of Juvenile Justice and Delinquency Prevention, Department of Public Instruction, and other relevant agencies, shall report on the following Program information:

(1) *The number and other demographic information of children served.*

The Program served 7,039 children/youth in the CMMED (Seriously Emotionally Disturbed) and CMSED (Severely Emotionally Disturbed with Out-of-Home Placement) target populations in SFY 2008. The CMMED and CMSED target populations are representative of the populations eligible for CTSP funds. The number of children served in the MH/DD/SAS service system has increased overall but due to maximizing Medicaid funds, a

provision of section 10.10(a), item 8 of this legislation, the number of children served with State CTSP funds has decreased. This trend is evident from year to year.

Demographic Data by Race

Race	Number	Percentage
White	4,590	65.2%
Black	1,646	23.4%
Unknown	695	9.9%
Native American	63	0.9%
Asian	27	0.4%
Pacific Islander	16	0.2%
Blank	2	<0.1%
Total	7,039	

Demographic Data by Gender

Gender	Number	Percentage
Male	4,359	61.9%
Female	2,680	38.1%
Total	7,039	

Demographic Data by Age

Age	Number	Percentage
12-17 years	4,722	67.1%
3-11 years	2,317	32.9%
Total	7,039	

(2) The amount and source of funds expended to implement the Program.

In SYF 2008, a total of $6,407,247 was expended for this program. Of that number, $4,477,871 was used to provide direct services to youth and $1,929,376 was spent in a flexible manner (non-Unit Cost Reimbursement or non-UCR) to ensure family involvement and leadership, increase the capacity of community-based services, training on System of Care practices and principles, prevention initiatives and to provide medically necessary and least restrictive services that are not available as part of the larger service system.

(3) *Information regarding the number of children screened, specific placement of children, including the placement of children in programs or facilities outside the child's home county, and treatment needs of children served.*

All children/youth referred for enrollment into the program are screened to determine whether they meet eligibility criteria for CTSP funds and are eventually entered into the IPRS data base. In SFY 2008, 95,696 were entered in to the system and therefore eligible for CTSP funds.

The table below describes the type and number of children in placement in North Carolina in SFY 2008.

Type of Out-of-Home Placement	Number of children/ youth served
Level II	3,245
Level III	3,959
Level IV	222
Psych. Residential Treatment (PRTF)	599
Inpatient hospital	3,376
Total	11,401

(4) *Average length of stay in residential treatment, transition and return to home.*

Average Length of Stay in Out-of-Home Placement SFY 08		
Type of Service	**Number of children/ youth served**	**Average days per person**
Level II	3,245	177.6
Level III	3,959	147.2
Level IV	222	120.1
Psych. Residential Treatment (PRTF)	599	155.3
Inpatient hospital	3,376	13.8

A utilization review process is in place to monitor progress toward goals and to determine whether the child/youth continues to be in need of such an intensive service. The Child and Family Team is responsible for planning a successful transition to home, school and community.

(5) *The number of children diverted from institutions or other out of home placements such as training schools and State psychiatric hospitals and a description of the services provided.*

Initiatives like the MAJORS program provide services to youth involved in the juvenile justice system due to a substance related issue. This program is specifically designed to divert youth from institutional-based care. Additionally, non-UCR CTSP funds are utilized to increase community capacity so that youth are able to remain in their homes and receive the services they need in their community. For example, in SFY 08 non-UCR CTSP funds provided LMEs with the necessary funds to contract for such services as Day Treatment, Substance-Abuse Intensive Outpatient and Rapid-Response Beds.

(6) *Recommendation on other areas of the Program that need to be improved.*

Continued progress on the implementation of System of Care practices and principles includes increasing the quality of the Child and Family Team process. This family-driven vehicle for Person-Centered planning provides a framework for individualized strength-based care. The Division of MH/DD/SAS will continue to advise LMEs to utilize non-UCR CTSP funds to support Child and Family Team training and coaching.

(7) Other information relevant to successful implementation of the Program.

SECTION 10.10.(h) *The Department shall report on the following Program funding information:*

(1) The amount of Program funding allocated and expended by each LME.

The table below reflects program allocations and expenditures for SFY 2008.

LME Name	CTSP UCR Expenditures	CTSP Non-UCR Expenditures	Total Expenditures
A-C-R	52,328	80,000	132,328
Albemarle	16,357	187,112	203,469
Beacon Center	18,399	10,558	28,957
Catawba	334,486	263,126	597,612
Centerpoint **	423,651	388,000	811,651
Crossroads **	64,911	0	64,911
Cumberland	157,998	317,000	474,998
Durham **	87,002	0	87,002
Eastpointe	208,203	0	208,203
East Carolina **	6,681	0	6,681
Five County *	0	0	0
Foothills	449,075	62,000	511,075
Guilford *	0	0	0
Johnston	274,590	41,468	316,058
Mecklenburg *	0	0	0
Onslow-Carteret	231,335	107,000	338,335
OPC	79,414	150,000	229,414
Pathways **	60,398	0	60,398
Piedmont *	0	0	0
Sandhills *	0	0	0
Smoky *	0	0	0
Southeastern Area	240,466	12,000	252,466
Southeastern Reg. **	147,796	155,400	303,196
Wake	1,160,915	155,712	1,316,627
Western Highlands **	463,866	0	463,866
Totals	**$4,477,871**	**$1,929,376**	**$6,407,247**

*Single Stream funding LMEs. CTSP funds no longer identifiable.
** Converted to Single Stream in SFY 2009.

(2) The amount of Program funds each LME transferred out of the Program to serve purposes other than those outlined by this Program and an explanation of why LMEs transferred the funding.

The table below describes all transfers of program funds that occurred in SFY 2008.

LME	Amount	To what programs
Eastpointe	475,000	$425,000 to DD-MR/MI; $50,000 to MH Child Non-UCR
Johnston	220,000	$95,000 to Crisis; $125,000 to MH Adult UCR
Onslow-Carteret	60,000	MH Adult UCR
Orange-Person-Chatham	339,000	$200,000 to DD-MR/MI; $14,000 to MH Child Non-UCR; $75,000 to MH Adult Non-UCR; $50,000 to DD Adult UCR
Southeastern Center	835,000	$825,000 to DD Child UCR; $10,000 to MH Child UCR
Southeastern Regional	793,000	$217,890 to MH Adult UCR; $50,000 to DD Adult UCR; $463,000 to SA Adult UCR; and $62,110 to SA Child UCR
Wake	1,150,000	$400,000 to MH Adult UCR; $750,000 to Child MH UCR
Total	$ 3,872,000	

LMEs utilize CTSP funds to meet the service needs in their communities. As stated, the use of CTSP funds has declined due to maximizing the use of Medicaid dollars for the CTSP-eligible population and the implementation of new community-based services in March of 2006.

(3) Recommendations to improve the penetration rate of Program funds to serve the intended populations across the State.

There remains an increased emphasis on the use of CTSP non-UCR funds to increase the community's capacity to provide medically necessary services to youth at risk of out-of-home placement. Increased use of these funds to expand the System of Care approach including the support and implementation of innovative evidenced-based programs that are community-based, family-driven and least restrictive will improve the penetration rate of these funds.